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SUBJECT: BEYOND THE VEIL - WOMEN ENTREPRENEURS IN MOROCCO

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[1](#)1. (SBU) Summary: By codifying women's rights to equal participation in politics, society, and the economy, as well as recognizing their right to education, King Mohammed VI has positively altered the business climate for women in Morocco. According to the Moroccan Association of Women Entrepreneurs, more than 5,000 female entrepreneurs operate in the country's formal economy and nearly 2.7 million women are part of Morocco's work force. Working women play a particularly critical role in the country's service sector, which employs more than 57 percent of the female work force. Despite these achievements, the proportion of women entrepreneurs remains very low, with less than one woman out of a 100 owning a business. Discussions with civic society, women CEOs, and government interlocutors indicate that the country's bureaucratic red tape compounded with limited access to finance and inadequate higher education constitute the biggest impediments for female entrepreneurs in Morocco. Sources also contend that, contrary to popular belief, gender discrimination and socio-cultural barriers, while real, do not constitute a major obstacle. End Summary.

Women in Business Today

[1](#)2. (SBU) Since the beginning of Mohammed VI's reign ten years ago, women's rights to equal participation in politics, society, and the economy has been a critical component of his reform agenda (Septel). Legislation such as the New Family Code (the Moudawana) transformed relations between women and men in the public sphere (Ref A) and altered the business climate for women in Morocco. According to the Moroccan Association of Women Entrepreneurs (AFEM), nearly 2.7 million women are part of Morocco's work force, an estimated 75 percent of whom work in the informal market. This dominance of the informal sector makes it difficult to accurately determine relative contributions to the country's gross domestic product. Nevertheless, it is clear that women are critical contributors to the country's largest sectors: services, agriculture, and industry. They play a particularly critical role in the country's service sector, which employs 57 percent of the female work force.

[1](#)3. (SBU) Women have also made significant advances in business leadership and entrepreneurial development. According to AFEM, more than 5,000 women entrepreneurs, whose businesses are primarily located in Casablanca, operate in Morocco's formal economy. They are highly educated with over 60 percent having obtained a university or commercial degree. Although established in various sectors of the economy, women-led and owned firms are generally concentrated in the service sector and that of trade and distribution. Bouthayna Iraqui, both a Member of Parliament and CEO of a large medical supply company, told EconOff that female

entrepreneurs have benefited from the acquisition of managerial competencies, the persistence of unemployment that has forced women to seek independent employment, and the growth of the service sector, where women generally have the know-how and expertise.

Obstacles to Women's Progress

¶4. (SBU) While women entrepreneurship has grown in Morocco, the proportion of women-led and owned firms remains very low. Fewer than one woman out of 100 owns a business. "It is clear that women entrepreneurs play a far more important role in the country's economic life than previously thought," said Soraya Badraoui, the President of AFEM (Association des Femmes Chef d'Entreprises du Maroc), "but there are still too few of them." Those few are the country's urban elite women, the well educated and well-off, admitted a well-placed source in Morocco's Business Federation.

¶5. (SBU) Unlike other countries in the Middle East and North Africa, Moroccan women face no legal requirements such as a husband's permission to travel or start a business. Salwa Akheenouch, Zara's CEO in Morocco and, according to the Financial Times, one of the Middle East's most influential women, said, "While some social norms occasionally dampen female entrepreneurship, gender discrimination does not constitute a major obstacle for women entrepreneurs in Morocco." Rather, discussions with contacts in civil society, government interlocutors, and women CEOs in Morocco, reveal that the main obstacles faced by women wishing to establish their own business are the same as those faced by their male counterparts, bureaucratic red tape, limited access to financing, and the difficulty of recruiting qualified workers needed to operate a business (Ref B).

¶6. (SBU) Education presents another obstacle as women's underrepresentation at higher grade-levels and persisting illiteracy rates limit their choices in employment. (Note: Two of every five women over the age of 15 are illiterate in Morocco. End Note.) For those who manage to obtain higher levels of education, the education system still has gender stereotypes directing women into "appropriate" professional tracks such as social work and education, according to a 2006 World Bank report. In addition, limited access to financial management skills and technology within Morocco's educational system limits women's entrepreneurial development potential.

Comment

¶7. (SBU) Women play an important role as entrepreneurs in Morocco, and will need to play an even larger role in the country's efforts to create a modern and outward looking services sector. Success will depend on wider access to education for women. The classroom, particularly at the tertiary level and above, serve as a network conduit for mentorship, partnership, and access to credit. A national-level business incubator for women-led enterprises, similar to the one implemented in Casablanca, may also encourage female entrepreneurial development giving young innovative women the technical and financial tools needed to operate a long-term successful business. Such a project may be ripe for future support from the Middle East Partnership Initiative or USAID. In general, however, reforms that reduce the administrative barriers to starting a business and give aspiring entrepreneurs expanded access to finance are the best allies for women and men in business.

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